



City of Imperial Beach, California

HOUSING AUTHORITY

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8303 Fax: (619) 628-1395

NOTICE **PURSUANT TO HEALTH AND SAFETY CODE SECTION** **34176(g)(1)(B)**

(Designations of Use and Commitment of Excess Housing Bonds Proceeds)

July 24, 2012

VIA PERSONAL SERVICE

Imperial Beach Redevelopment Agency Successor Agency
Attention: Gregory Wade, Deputy Director
825 Imperial Beach Blvd.
Imperial Beach, CA 91932

Dear Mr. Wade:

This NOTICE is provided by the CITY OF IMPERIAL BEACH HOUSING AUTHORITY ("Housing Authority") to the IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY ("Successor Agency") pursuant to California Health and Safety Code ("Health and Safety Code") Section 34176(g)(1)(B) of Part 1.85, enacted by Assembly Bill No. X1 26 ("AB 26") as amended by Assembly Bill No. 1484 ("AB 1484").

Pursuant to the authority provided in Health and Safety Code Section 34176(g)(1)(A) of AB 26 as amended by AB 1484, the Housing Authority hereby designates the use and commitment of certain available indebtedness obligation proceeds in a manner that is consistent with the indebtedness obligation covenants, including requirements relating to tax status.

Specifically, certain Tax Allocation Revenue Bonds, 2003 Series A (Palm Avenue/Commercial Redevelopment Project) ("Housing Bonds") were issued pursuant to an Indenture Trust, dated as of November 1, 2003, by and among the Imperial Beach Public Financing Authority, the former Imperial Beach Redevelopment Agency ("Redevelopment Agency") and Wells Fargo Bank, National Association, as trustee, backed by the Low and Moderate Income Housing Fund, to provide money for loans by the Redevelopment Agency for the purposes of increasing, improving, and preserving the community's supply of low and moderate income housing. Currently, there exists approximately \$913,000 of available proceeds derived from the Housing Bonds ("Excess Housing Bonds Proceeds") to be expended in accordance with and required by the Housing Bonds covenants, including requirements relating to tax status.

In accordance with Health and Safety Code Section 34176(g)(1)(A) of AB 26 as amended by AB 1484, the Housing Authority hereby designates the use and commitment of the Excess Housing Bonds Proceeds in the amounts set forth below for the following affordable housing projects (collectively, "Affordable Housing Projects"):

- a. Approximately \$380,000 toward that certain Clean & Green Program, including a proportionate amount for project administration costs, which Program provides grants to very low, low and moderate-income single-family homeowners to improve energy and water efficiency and health and safety conditions; and
- b. Approximately \$533,000 in financial assistance to Habitat for Humanity, including a proportionate amount for project administration costs, for the acquisition and development of six (6) semi-detached for-sale houses located at 776 10th Donax in the City of Imperial Beach, California for ownership by low-income households ("Habitat Project").

The Housing Authority's designation of the use and commitment of the Excess Housing Bonds Proceeds toward the Affordable Housing Projects and in the amounts provided above is consistent with Item #44 and Item #45 listed on the Recognized Obligation Payment Schedule for the period January 1, 2012 through June 30, 2012 as previously approved by the Successor Agency, the Oversight Board for the Successor Agency ("Oversight Board") established under AB 26 as amended by AB 1484, and the California Department of Finance ("Department of Finance") and deemed valid and effective under AB 26 as amended by AB 1484.

Further, the Housing Authority's designation of the use and commitment of the Excess Housing Bonds Proceeds toward the Affordable Housing Projects and in the amounts provided above is consistent with Resolution HA-12-07, in which the Housing Authority approved the use of \$380,000 of Excess Housing Bonds Proceeds toward the Clean & Green Program, and Resolution HA-12-11, in which the Housing Authority approved the use of \$500,000 in Excess Housing Bonds Proceeds toward the Habitat Project. Pursuant to Resolution HA-12-07 and Resolution HA-12-11, the Housing Authority's Executive Director or designee is authorized and empowered to, among other things, sign all documents necessary and appropriate to carry out and implement the aforementioned Affordable Housing Projects, including providing this NOTICE to the Successor Agency.

Pursuant to Health and Safety Code Section 34176(g)(1)(B) of AB 26 as amended by AB 1484, review of the Housing Authority's designations of the use and commitment of the Excess Housing Bonds Proceeds by the Successor Agency, the Oversight Board and the Department of Finance shall be limited to a determination that the Housing Authority's designations of the use and commitment of such proceeds are consistent with the Housing Bonds covenant obligations, including requirements relating to tax status, and that there are sufficient Excess Housing Bonds Proceeds available for the designated purposes.

Pursuant to Health and Safety Code Section 34176(g)(2) of AB 26 as amended by AB 1484, the Successor Agency shall retain and expend the Excess Housing Bonds Proceeds at the discretion of the Housing Authority provided that the Successor Agency ensures that the proceeds are expended in a manner consistent with the Housing Bonds covenants, including requirements relating to tax status of the Housing Bonds, and within the amount of Excess Housing Bonds Proceeds available for such purposes. The Excess

Housing Bonds Proceeds shall be used and committed in a manner consistent with the purposes of the Low and Moderate Income Housing Asset Fund, established by the Housing Authority pursuant to AB 1484, and such expenditures shall be listed separately on the Recognized Obligation Payment Schedule submitted by the Successor Agency.

Should you have any questions regarding this NOTICE, please contact Michael McGrane, Finance Director & Treasurer, at (619) 628-1361.

Very truly yours,

CITY OF IMPERIAL BEACH HOUSING AUTHORITY

A handwritten signature in blue ink, appearing to read "Gary Brown", is written over a horizontal line.

Gary Brown, Executive Director